

Community High School District 155

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2018 Tax Levy & Property Tax Relief Grant Opportunity

Budget, Planning, Finance & Audit Committee
November 19, 2018



2018 Tax Levy & Property Tax Relief Grant Summary

- D155 administration recommends a tax levy approval process that will result in a flat levy and flat tax extension in the District's operating funds
- **Annual savings of at least \$1.7 million to our taxpayers, forever**
- D155 administration also recommends District 155 apply for the 2018 Property Tax Relief Grant
 - Taxpayer savings would exceed \$1.7 million if D155 is awarded the grant

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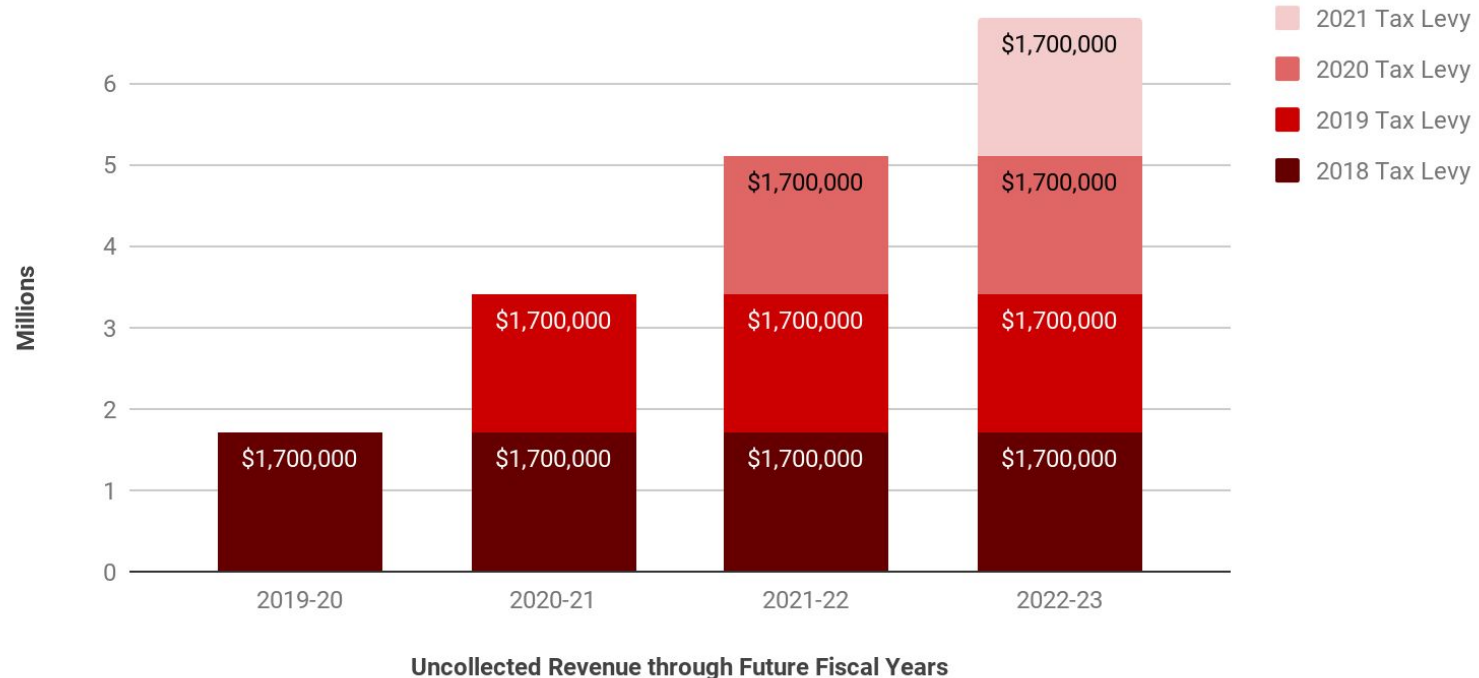
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What Happens When the Tax Levy is Held Flat?

- In Tax (Levy) Year 2015, D155 held its levy flat
- This saved taxpayers \$789,411 for Fiscal Year 2016-2017
- The amount of uncollected revenue increases annually by inflation and continues forever

Potential Taxpayer Savings with 2018 Flat Tax Levy

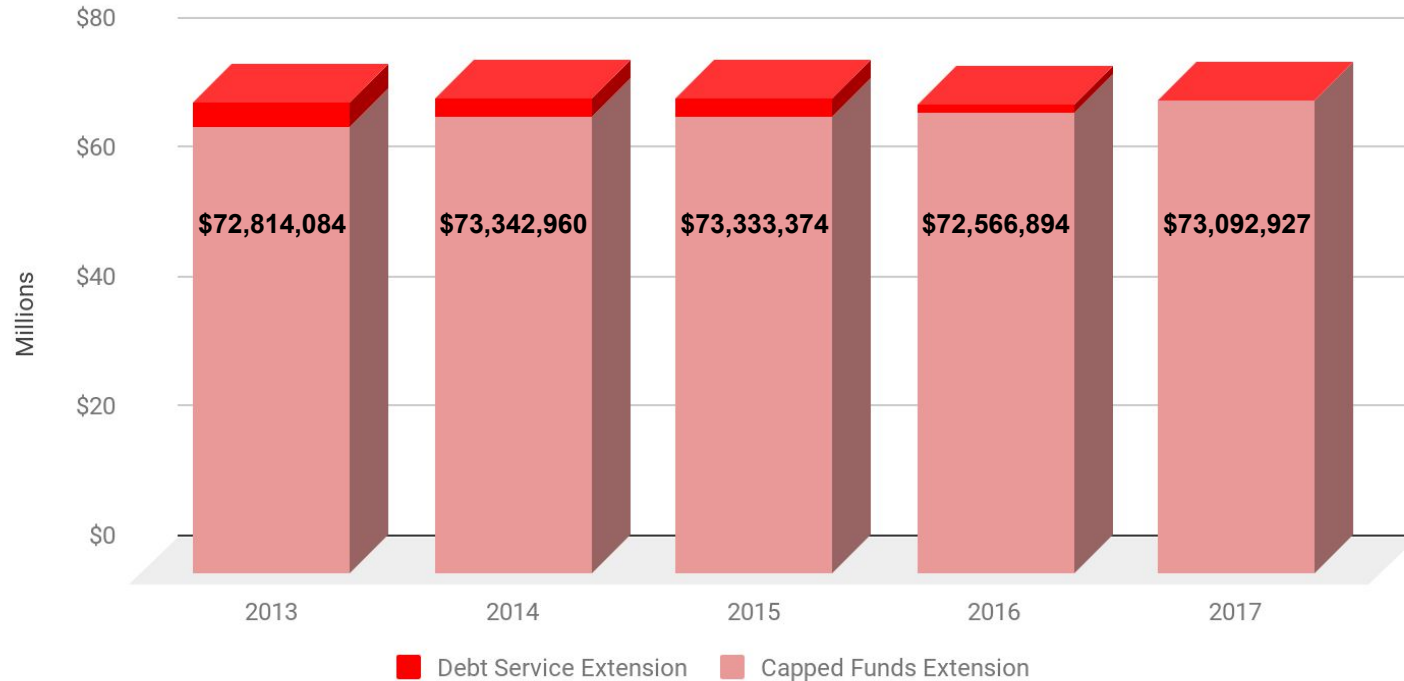


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5-year Tax Extension History

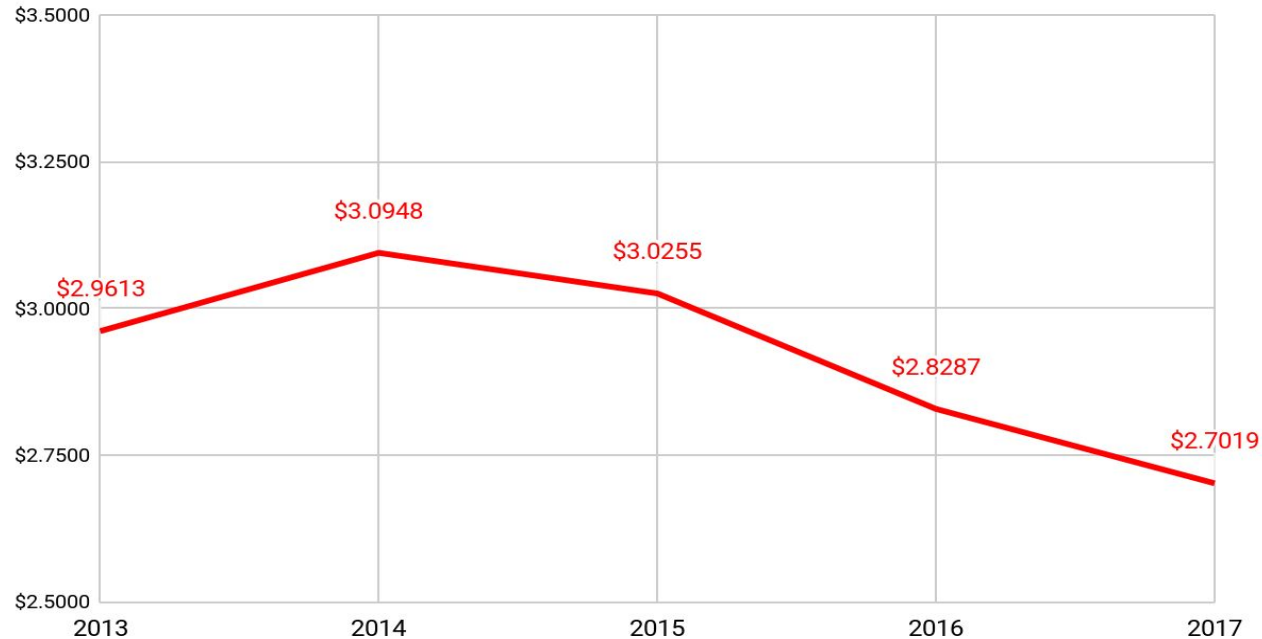


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5-year Tax Rate History



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D155 Tax Year 2014 to 2017 Comparisons

	2014	2017	Percent Change
Tax Extension (all funds)	\$73,342,960	\$73,092,927	(0.3 %)
Tax Rate	\$3.095 per \$100 EAV	\$2.702 per \$100 EAV	(12.7 %)
Rate Setting Equalized Assessed Valuation (EAV)	\$2,369,853,812	\$2,705,254,056	14.2 %

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Property Tax Relief Grants

- Provides school districts with high tax rates relative to other school districts with an opportunity to lower the property tax burden on local taxpayers with the state replacing a portion of foregone tax revenue with state funds.
- Established by Public Act 100-0465 and revised by Public Act 100-0582. Exempt from the Grant Accountability and Transparency Act.
- \$50 million is reserved for this purpose in FY 19.

Source: <https://www.isbe.net/Pages/Property-Tax-Relief-Grant.aspx>

Administrative Recommendations

- Estimate an increase in the 2018 D155 Tax Levy of 3.48% in November
- Approve the 2018 Tax Levy in December
- Apply for the 2018 Property Tax Relief Grant in December
- **Permanently Reduce D155's Operating Tax Levy in February or March down to *at least* a flat level**
 - Taxpayer savings estimate is at least **\$1.7 million per year**

Levy Comparison: Prior Year, Current Request & Anticipated Extension

FUND	Actual Prior Yr Extension	Current Levy Request	% Change	Est. Current Yr Extension	\$ Change from Prior Yr	% Change from Prior Yr
Education	\$62,650,863	\$64,831,496		\$62,650,863	\$0	
Operations& Maintenance	\$5,196,955	\$5,377,841		\$5,196,955	\$0	
Transportation	\$1,454,832	\$1,505,469		\$1,454,832	\$0	
Municipal Retirement	\$466,440	\$482,675		\$466,440	\$0	
Social Security	\$1,340,724	\$1,387,389		\$1,340,724	\$0	
Special Education	\$1,804,891	\$1,867,713		\$1,804,891	\$0	
Capped Extension/Levy	\$72,914,706	\$75,452,583	3.48%	\$72,914,706	\$0	0.00%

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For a \$200,000 house, the proposed flat levy on the portion of a D155 tax bill means...

Fair Cash Value of House:	\$200,000
EAV of House ($\frac{1}{3}$ of Fair Cash Value):	\$66,667
2017 D155 Tax Rate:	\$2.7019 per \$100 of EAV
Estimated 2018 Tax Rate:	\$2.6222 per \$100 of EAV
2017 D155 Taxes Paid:	(\$1,801.27)
Estimated 2018 D155 Taxes:	<u>\$1,748.13</u>
Estimated 2018 Savings:	(\$53.14)





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